



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA ITEM

E-14

AGENDA TITLE: Consider Approval of Insubstantial Amendments to the Assignment and Assumption Agreement, attached as Exhibit G to the Development Agreement by and between the City of Lodi and San Joaquin Valley Land Company ("SJVLC"), and thereby consent to the assignment of the Blue Shield site from SJVLC to Blue Shield, and Grant of Temporary Easement.


MEETING DATE: June 20, 2007 City Council Meeting

PREPARED BY: City Attorney's Office

RECOMMENDED ACTION: That the City Council approve the insubstantial amendments to the Assignment and Assumption Agreement, attached as Exhibit G to the Development Agreement by and between the City of Lodi and San Joaquin Valley Land Company ("SJVLC"), and thereby consent to the assignment of the Blue Shield site from SJVLC to Blue Shield.

BACKGROUND INFORMATION: Council approved a Development Agreement with San Joaquin Valley Land Company ("SJVLC") effective September 6, 2006. The Agreement contemplates the assignment of its obligations and benefits in Paragraph 22 in a form attached as Exhibit G, entitled "Assignment and Assumption Agreement." SJVLC and Blue Shield have agreed on a form of Assignment Agreement that differs, although insubstantially, from the form attached as Exhibit G. The changes relate primarily to the fact that Blue Shield will not assume all of SJVLC's obligations, instead leaving them with SJVLC. As proposed, SJVLC alone would retain the obligations for the Downtown Impact Fee, Continued Maintenance Obligations, Fire Station and Equipment, Public Art, Animal Shelter, Utility Service, Annexation, Community Facilities District, and Citizens for Open Government. The Agreement also adds indemnity obligations between SJVLC and Blue Shield and a California Chose of Law provision. Finally the Assignment Agreement is conditioned on the City Council granting a temporary easement over the 30-foot strip between the Blue Shield site and the North Highway 99 Frontage Road. The easement is necessary to ensure Blue Shield has access to the Frontage Road until the roadway improvements are created. Approval will therefore grant the temporary easement. Paragraph 12.3 permits such insubstantial amendments to the Development Agreement with Council Consent.

FISCAL IMPACT: N/A


D. Stephen Schwabauer
City Attorney

APPROVED:

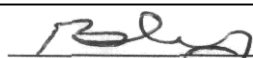

Blair King, City Manager

EXHIBIT-G

FORM OF ASSIGNMENT

~~OFFICIAL BUSINESS~~

~~Document entitled to free recording
Government Code Section 6103~~

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910
Attn: City Clerk

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

OFFICIAL BUSINESS

Document entitled to free recording
Government Code Section 6103

ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT
RELATIVE TO

THIS ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT
(~~hereinafter, the~~ "Agreement") is entered into this _____ day of _____, 200____
, by and between San Joaquin Valley Land Company, LLC (hereinafter "Developer"), and
, a _____ (hereinafter as of June _____, 2007 ("Effective Date"), by and
between SAN JOAQUIN VALLEY LAND COMPANY, LLC, a California limited liability
company ("Developer"), and CALIFORNIA PHYSICIANS' SERVICE dba BLUE SHIED OF
CALIFORNIA, a California not-for-profit mutual benefit corporation ("Assignee").

RECITALS

~~1.~~ 1. On September 6, 2006, the City of Lodi ("City") and Developer entered into that
certain agreement entitled "Development Agreement By and Between The City of Lodi and
~~Relative~~ San Joaquin Valley Land Company, LLC" relative to the ~~Development~~ development
known as the "Reynolds Ranch" project (~~hereinafter the~~ "Development Agreement"). Pursuant
to the Development Agreement, Developer agreed to develop certain property more particularly
described ~~in the Development Agreement (hereinafter, the~~ on Exhibit A attached hereto
("Subject Property"), subject to certain conditions and obligations as set forth in the
Development Agreement. The Development Agreement was recorded against the Subject
Property in the Official Records of San Joaquin County on _____, December 26, 2006, as
Instrument No. _____, 2006-268372.

~~2.2.~~ 2.2. Concurrent herewith, Assignee is purchasing from Developer ~~intends to convey~~ an approximate 20.5 acre portion of the Subject Property ~~to Assignee, commonly referred to as~~ Parcel _____, located at the southwest corner of Highway 99 and Harney Lane and more particularly described and identified ~~and described~~ in Exhibit AB-1 and Exhibit AB-2, attached hereto ~~and incorporated herein by this reference (hereinafter the~~ (“Assigned Parcel”).

~~3.3.~~ 3.3. Developer desires to assign and Assignee desires to assume ~~all~~ certain of Developer’s right, title, interest, burdens and obligations under the Development Agreement with respect to and as related to the Assigned Parcel, as more particularly set forth herein.

ASSIGNMENT AND ASSUMPTION

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Developer and Assignee hereby agree as follows:

1. Assignment. Except as set forth in Section 3 below, Developer hereby assigns, effective as of ~~Developer's conveyance of the Assigned Parcel to Assignee~~the Effective Date, all of the rights, title, interest, burdens and obligations ~~(collectively, "Rights and Obligations")~~ of Developer under the Development Agreement with respect to the Assigned Parcel. Developer retains all the ~~rights, title, interest, burdens and obligations~~Rights and Obligations under the Development Agreement with respect to all other property within the Subject Property owned by Developer.

2. Assumption. Except as set forth in Section 3 below, Assignee hereby assumes, effective as of the Effective Date, all of the ~~rights, title, interest, burdens and obligations~~Rights and Obligations of Developer under the Development Agreement with respect to the Assigned Parcel, and agrees to observe and fully perform all of the duties and obligations of Developer under the Development Agreement with respect to the assigned Rights and Obligations with respect to the Assigned Parcel. The parties intend hereby that, ~~upon the execution of this Agreement and conveyance of the Assigned Parcel to Assignee~~as of the Effective Date, Assignee shall become substituted for Developer as the "Developer" under the Development Agreement with respect to the assigned Rights and Obligations for the Assigned Parcel.

3. Obligations Not Assumed. Notwithstanding the provisions of Sections 1 and 2 above, Developer is not assigning and Assignee is not assuming the following Rights and Obligations of Developer under the Development Agreement with respect to the Assigned Parcel and, as between Developer and Assignee, Developer shall retain 100% of such Rights and Obligations under the Development Agreement:

(a) Section 6.1.2, Agricultural Land Mitigation Fee (EIR Mitigation Measure 3.7.4).

(b) Section 6.4.2, Rehabilitation of Existing Residential Units. Notwithstanding the non-assignment to Assignee of Developer's Rights and Obligations under Section 6.4.2 of the Development Agreement, Assignee hereby agrees to reimburse Developer an nine and two-tenths percent (9.2%) pro rata share of any fee imposed on the Developer by the City, up to a maximum of \$115,000, in the event that Developer elects to pay the rehabilitation fee rather than undertaking the actual rehabilitation of such residential units.

(c) Section 6.4.3, Downtown Impact Fee.

(d) Section 6.4.5 Maintenance of Lands Dedicated to City.

(e) Section 6.4.6, Fire Station and Equipment.

(f) Section 6.4.8, Public Art.

(g) Section 6.4.9, Animal Shelter.

(h) Section 6.4.10, Costs re: Utility Service. Notwithstanding the non-assignment of Developer's Rights and Obligations under Section 6.4.10 of the Development Agreement, the parties agree that such costs are included in the infrastructure costs allocated between the parties as set forth in that certain Infrastructure Development and Reimbursement Agreement between Developer and Assignee dated as of even date herewith ("Infrastructure Agreement").

(i) Section 6.5, Annexation.

(j) Section 9, Community Facilities District. .

(k) Citizens for Open Government Settlement Conditions. Section 2(B)(Agricultural Conservation Easements), Section 2(F) (Pedestrian Transit and Bicycle Infrastructure), and Section 2(H)(funding for residential water service) of that certain Agreement to Amend Draft Development Agreement and Refrain From Challenging Land Use Project dated August 24, 2006, between the City, Citizens for Open Government and Developer and incorporated into the Development Agreement.

4. Indemnification.

4.1 Developer Indemnity. Developer agrees to indemnify, defend (with counsel reasonable acceptable to Assignee) and hold harmless Assignee its officers, directors, members, partners, employees, agents, representatives, successors and assigns from and against any costs (including, without limitation, reasonable attorneys' fees and costs), claims, damages or causes of action arising out of or resulting from the failure of Assignor to comply with or perform the covenants, conditions, agreements, duties and obligations of Assignor under the Development Agreement or in connection with any claims for indemnification by the City under Section 25 of the Development Agreement with respect to the Assigned Parcel and arising prior to the Effective Date. In addition, Developer agrees to indemnify, defend (with counsel reasonable acceptable to Assignee) and hold harmless Assignee its officers, directors, members, partners, employees, agents, representatives, successors and assigns from and against any costs (including, without limitation, reasonable attorneys' fees and costs), claims, damages or causes of action arising out of or resulting from the failure of Assignor to comply with or perform the covenants, conditions, agreements, duties and obligations of Assignor under the Development Agreement or in connection with any claims for indemnification by the City under Section 25 of the Development Agreement with respect to all of the Subject Property arising at any time, except with respect to the Assigned Parcel on and after the Effective Date.

4.2 Assignee Indemnity. Assignee agrees to indemnify, defend (with counsel reasonable acceptable to Developer) and hold harmless Developer, its officers, directors, members, partners, employees, agents, representatives, successors and assigns from and against any costs (including, without limitation, reasonable attorneys' fees and costs) claims, damages or causes of action arising out of or resulting from the failure of Assignee to comply with or perform the covenants, conditions, agreements, duties and obligations of Assignee under the Development Agreement or in connection with any claims for indemnification by the City under Section 25 of the Development Agreement, with respect to the Assigned Parcel and arising on and after the Effective Date.

5. Notices. The notice address described in Section 29 of the Development Agreement for the Developer and Assignee shall be:

To DEVELOPER to: San Joaquin Valley Land Company
1420 S. Mills Avenue, Suite K
Lodi, CA 95242
Attention: Dale Gillespie
Telephone No. 209-333-3400
Facsimile No.: 209-369-6504

With a copy to: Hakeem, Ellis & Marengo
3414 Brookside Road, Suite 100
Stockton, CA 95219
Attention: Michael D. Hakeem, Esq.
Telephone No. 209-474-2800
Facsimile No.: 209-474-3654

To ASSIGNEE to: Blue Shield of California
California Physicians' Service
Attention: Executive Vice President,
Customer Service and Corporate Marketing
Telephone No. 415-229-5000
Facsimile No.: 415-229-5056

With a copy to: Blue Shield of California
50 Beale Street
San Francisco, CA 94105
Attention: Law Department
Telephone No.: 415-229-5000
Facsimile No.: 415-229-5274

With a copy to: Reed Smith LLP
Two Embarcadero Center
San Francisco, CA 94111
Attention: Sherry G. Geyer, Esq.
Telephone No.: (415) 569-5974
Facsimile No.: (415) 391-8269

6. Representations.

6.1 Status. Assignee is a California not-for-profit mutual benefit corporation
duly organized, validly existing and in good standing under the laws of the State of California.
Assignor is a limited liability company duly organized, validly existing and in good standing
under the laws of the State of California.

6.2 Authority. This Agreement is duly authorized, executed and delivered and
shall be the legal, valid and binding obligation of each of the parties hereto. Assignor and
Assignee each represent and warrant that the person signing this Agreement on behalf of such
party has full power and authority to execute this Agreement on such party's behalf.

7. Miscellaneous.

7.1 Governing Law. This Agreement shall be governed by and construed in
accordance with the laws of the State of California.

7.2 ~~3. Successor and Assigns.~~ All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective ~~heirs,~~ successors and assigns.

~~4. The Notice Address described in Section 29 of the Development Agreement for the Developer with respect to the Assigned Parcel shall be:~~

~~SAN JOAQUIN VALLEY LAND COMPANY, LLC
1420 S. Mills Avenue, Suite K
Lodi, CA 95242~~

7.3 Attorneys' Fees. If either party brings or commences any legal action or proceeding to enforce any of the terms of this Agreement (or for damages by reason of an alleged breach of this Agreement), the prevailing party in such action shall be entitled to recover all costs and expenses of litigation, including reasonable attorneys' fees.

7.4 Incorporation of Exhibits. Each exhibit attached to and referred to in this Agreement is hereby incorporated by reference as though set forth in full where referred to herein.

7.5 Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one instrument.

[Signatures on following page.]

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written. ~~This Agreement may be signed in identical counterparts~~

DEVELOPER

SAN JOAQUIN VALLEY LAND
COMPANY, LLC
a California limited liability company

By: _____
Name: _____
Title: _____

ASSIGNEE

CALIFORNIA PHYSICIANS' SERVICE
dba
Blue Shield of California,
a California not-for-profit mutual benefit
corporation

By: _____
Name: _____
Title: _____

CONSENT OF CITY OF LODI

The City of Lodi hereby consents to the assignment of the Development Agreement by San Joaquin Valley Land Company ("Developer") to California Physicians' Service d/b Blue Shield of California ("Assignee"), and Assignee's assumption thereof as set forth in the Assignment and Assumption of Development Agreement dated June __, 2007 between Developer and Assignee.

DEVELOPER:

~~SAN JOAQUIN VALLEY LAND
COMPANY, LLC~~

By: _____
Name: ~~Dale N. Gillespie~~
Title: ~~Managing Member~~

ASSIGNEE:

a _____

By: _____
Print Name: _____
Title: _____

CITY OF LODI

By: _____
Name: Blair King
Title: City Manager

Dated: June __, 2007

Form of assignment agreement hereby approved:

By: _____
Name: _____
Title: City Attorney

Dated: June __, 2007

EXHIBIT A

Legal Description of Subject Property

(See Attached)

Exhibit A

EXHIBIT B-1

Legal Description of Assigned Parcel

(See Attached)

Exhibit B-1

EXHIBIT B-2

Site Map of Assigned Parcel

STATE OF CALIFORNIA)
)
COUNTY OF)

On , 2007 before me, , Notary Public, personally appeared
, personally known to me (or proved to me on the basis of satisfactory
evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies),
and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Signature

STATE OF CALIFORNIA)
)
COUNTY OF)

On , 2007 before me, , Notary Public, personally appeared
 , personally known to me (or proved to me on the basis of satisfactory
 evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and
 acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies),
 and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
 which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Signature

Document comparison done by DeltaView on Wednesday, June 06, 2007 10:37:42 AM

Input:	
Document 1	pcdocs://docssfo/12479820/1
Document 2	pcdocs://docssfo/12479820/3
Rendering set	ReedSmith Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	122
Deletions	39
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	161

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Lodi
P.O. Box **3006**
Lodi, CA **95241-1910**
Attn: City Clerk

(SPACE ABOVE THIS LINE RESERVED FOR RECORDERS USE)

OFFICIAL BUSINESS
Document entitled to free recording
Government Code Section **6103**

ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT
and
GRANT OF EASEMENT

THIS ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT AND GRANT OF EASEMENT ("Agreement") is entered into as of June ____, **2007** ("Effective Date"), by and between SAN JOAQUIN VALLEY LAND COMPANY, LLC, a California limited liability company ("Developer"), and CALIFORNIA PHYSICIANS' SERVICE dba BLUE SHIED OF CALIFORNIA, a California not-for-profit mutual benefit corporation ("Assignee") and the CITY OF LODI ("City").

RECITALS

1. On September **6, 2006**, the City of Lodi ("City") and Developer entered into that certain agreement entitled "Development Agreement By and Between The City of Lodi and San Joaquin Valley Land Company, LLC" relative to the development **known** as the "Reynolds Ranch" project ("Development Agreement"). Pursuant to the Development Agreement, Developer agreed to develop certain property more particularly described on Exhibit A attached hereto ("Subject Property"), subject to certain conditions and obligations as set forth in the Development Agreement. The Development Agreement was recorded against the Subject Property in the Official Records of San Joaquin County on December **26, 2006**, as Instrument No. 2006-268372.

2. Concurrent herewith, Assignee is purchasing from Developer an approximate **20.5** acre portion of the Subject Property located at the southwest corner of Highway **99** and Harney Lane and more particularly described and identified in Exhibit B-1 and Exhibit B-2, attached hereto ("Assigned Parcel").

3. Developer desires **to** assign and Assignee desires to assume certain of Developer's right, title, interest, burdens and obligations under the Development Agreement with respect to and as related to the Assigned Parcel, as more particularly set forth herein.

4. The City has accepted dedication of a portion of the Subject Property (the "ROW Parcel") from the Developer for future use **as** a public right-of-way pursuant to that [Deed] dated

_____ and [describe action by the City to accept dedication]. Due to such dedication, the Assigned Parcel will no longer have access to a public roadway until such time, if ever, the ROW Parcel is improved as a public roadway. The City has agreed to grant an easement appurtenant to and for the benefit of the Assigned Property, as more particularly set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Developer and Assignee hereby agree as follows:

1. Assignment of Development Agreement. Except as set forth in Section 3 below, Developer hereby assigns, effective as of the Effective Date, all of the rights, title, interest, burdens and obligations (collectively, "Rights and Obligations") of Developer under the Development Agreement with respect to the Assigned Parcel. Developer retains all the Rights and Obligations under the Development Agreement with respect to all other property within the Subject Property owned by Developer.

2. Assumption of Development Agreement. Except as set forth in Section 3 below, Assignee hereby assumes, effective as of the Effective Date, all of the Rights and Obligations of Developer under the Development Agreement with respect to the Assigned Parcel, and agrees to observe and fully perform all of the duties and obligations of Developer under the Development Agreement with respect to the assigned Rights and Obligations with respect to the Assigned Parcel. The parties intend hereby that, as of the Effective Date, Assignee shall become substituted for Developer as the "Developer" under the Development Agreement with respect to the assigned Rights and Obligations for the Assigned Parcel.

3. Obligations Not Assumed. Notwithstanding the provisions of Sections 1 and 2 above, Developer is not assigning and Assignee is not assuming the following Rights and Obligations of Developer under the Development Agreement with respect to the Assigned Parcel and, as between Developer and Assignee, Developer shall retain 100% of such Rights and Obligations under the Development Agreement:

3.7.4). (a) Section 6.1.2, Agricultural Land Mitigation Fee (EIR Mitigation Measure

(b) Section 6.4.2. Rehabilitation of Existing Residential Units. Notwithstanding the non-assignment to Assignee of Developer's Rights and Obligations under Section 6.4.2 of the Development Agreement, Assignee hereby agrees to reimburse Developer an nine and two-tenths percent (**9.2%**) pro rata share of any fee imposed on the Developer by the City, up to a maximum of \$115,000, in the event that Developer elects to pay the rehabilitation fee rather than undertaking the actual rehabilitation of such residential units.

(c) Section 6.4.3, Downtown Impact Fee.

(d) Section 6.4.5 Maintenance of Lands Dedicated to City.

(e) Section 6.4.6, Fire Station and Equipment.

(f) Section 6.4.8, Public Art.

(g) Section 6.4.9, Animal Shelter.

(h) Section 6.4.10, Costs re: Utility Service. Notwithstanding the non-assignment of Developer's Rights and Obligations under Section 6.4.10 of the Development Agreement, the parties agree that such costs are included in the infrastructure costs allocated between the parties as set forth in that certain Infrastructure Development and Reimbursement Agreement between Developer and Assignee dated as of even date herewith ("Infrastructure Agreement").

(i) Section 6.5, Annexation.

(j) Section 9, Community Facilities District. .

(k) Citizens for Open Government Settlement Conditions. Section 2(B)(Agricultural Conservation Easements), Section 2(F) (Pedestrian Transit and Bicycle Infrastructure), and Section 2(H)(funding for residential water service) of that certain Agreement to Amend Draft Development Agreement and Refrain From Challenging Land Use Project dated August 24, 2006, between the City, Citizens for Open Government and Developer and incorporated into the Development Agreement.

4. Indemnification.

4.1 Developer Indemnity. Developer agrees to indemnify, defend (with counsel reasonable acceptable to Assignee) and hold harmless Assignee its officers, directors, members, partners, employees, agents, representatives, successors and assigns from and against any costs (including, without limitation, reasonable attorneys' fees and costs), claims, damages or causes of action arising out of or resulting from the failure of Assignor to comply with or perform the covenants, conditions, agreements, duties and obligations of Assignor under the Development Agreement or in connection with any claims for indemnification by the City under Section 25 of the Development Agreement with respect to the Assigned Parcel and arising prior to the Effective Date. In addition, Developer agrees to indemnify, defend (with counsel reasonable acceptable to Assignee) and hold harmless Assignee its officers, directors, members, partners, employees, agents, representatives, successors and assigns from and against any costs (including, without limitation, reasonable attorneys' fees and costs), claims, damages or causes of action arising out of or resulting from the failure of Assignor to comply with or perform the covenants, conditions, agreements, duties and obligations of Assignor under the Development Agreement or in connection with any claims for indemnification by the City under Section 25 of the Development Agreement with respect to all of the Subject Property arising at any time, **except with respect to the Assigned Parcel on and after the Effective Date.**

4.2 Assignee Indemnity. Assignee agrees to indemnify, defend (with counsel reasonable acceptable to Developer) and hold harmless Developer, its officers, directors, members, partners, employees, agents, representatives, successors and assigns from and against any costs (including, without limitation, reasonable attorneys' fees and costs) claims, damages or causes of action arising out of or resulting from the failure of Assignee to comply with or perform the covenants, conditions, agreements, duties and obligations of Assignee under the Development Agreement or in connection with any claims for indemnification by the City under Section 25 of the Development Agreement, with respect to the Assigned Parcel and arising on and after the Effective Date.

5. Consent of City to Assignment and Assumption. The City hereby consents to the assignment to and assumption by Assignee of the Development Agreement upon the terms set forth in this Agreement.

6. Grant of Easement. The City hereby grants to Assignee for the benefit of the Assigned Parcel a non-exclusive, appurtenant easement into, out of, on, over and across the ROW Parcel more particularly described in Exhibit C attached hereto and by this reference incorporated herein, for pedestrian and vehicular ingress and egress and ~~("Easement").~~ Said Easement shall include the right of Assignee to construct and maintain a _____ 30-foot wide right-of-way (which need not be improved) between across the ROW Parcel connecting the Assigned Parcel and the Frontage Road ("Easement"). This easement shall continue in perpetuity except as provided in the following sentence. If, and such time as, the ROW Parcel is improved with a public roadway so that the approximate 410 feet of the eastern boundary of the Assigned Parcel (adjacent to the ROW Parcel) is contiguous to a public roadway and Assignee has received unconditional agreement from Old Republic Title or other title insurance company to issue an endorsement to Assignee's title insurance policy ensuring access to a public roadway upon the termination of the Easement, Assignee agrees. The term of the Easement shall commence on the date hereof and continue until such time, if ever, the City commences construction on a public road on the ROW Parcel. At such time, the Easement shall automatically terminate and convert into a license for pedestrian and vehicular ingress and egress across the ROW Parcel. It is the intent and agreement of the City to provide Assignee access between the Assigned Parcel and the Frontage at all times from the date hereof until the completion of a public roadway on the ROW Parcel. Upon such termination and conversion and the request of either Assignee or the City, the parties agree to execute a separate easement termination and license agreement and quitclaim deed, in form and content reasonably acceptable to Assignee and the City, upon terms mutually acceptable to both parties. Notwithstanding the foregoing, if the new public roadway (or reconfigured Frontage Road) is not contiguous with the eastern boundary line of the Assigned Parcel so that there is a "gap" between the Assigned Parcel and the public roadway (or reconfigured Frontage Road), the City hereby grants to Assignee a non-exclusive, appurtenant easement for pedestrian and vehicular ingress and egress the benefit of the Assigned Parcel into, out of, on, over and across the area of ROW Parcel between the eastern boundary of the Assigned Parcel and the western boundary of the public roadway. At the request of Assignee, the City agrees to enter into an separate easement agreement, upon terms mutually agreeable to the City and Assignee, specifically identifying the location of such "gap" easement.

7. Notices. The notice address described in Section 29 of the Development Agreement for the Developer and Assignee shall be:

To DEVELOPER to: San Joaquin Valley Land Company
1420 S. Mills Avenue, Suite K
Lodi, CA 95242
Attention: Dale Gillespie
Telephone No. 209-333-3400
Facsimile No.: 209-369-6504

With a copy to: Hakeem, Ellis & Marengo
3414 Brookside Road, Suite 100
Stockton, CA 95219
Attention: Michael D. Hakeem, Esq.
Telephone No. 209-474-2800
Facsimile No.: 209-474-3654

To ASSIGNEE to: Blue Shield of California
California Physicians' Service
Attention: Executive Vice President,

Customer Service and Corporate Marketing
Telephone No. **415-229-5000**
Facsimile No.: **415-229-5056**

With a copy to: Blue Shield of California
50 Beale Street
San Francisco, CA **94105**
Attention: Law Department
Telephone No.: **415-229-5000**
Facsimile No.: **415-229-5274**

With a copy to: Reed Smith LLP
Two Embarcadero Center
San Francisco, CA **94111**
Attention: Sherry G. Geyer, Esq.
Telephone No.: **(415) 569-5974**
Facsimile No.: **(415) 391-8269**

8. Reorganizations.

8.1 Status. Assignee is a California not-for-profit mutual benefit corporation duly organized, validly existing and in good standing under the laws of the State of California. Assignor is a limited liability company duly organized, validly existing and in good standing under the laws of the State of California.

8.2 Authority. This Agreement is duly authorized, executed and delivered and shall be the legal, valid and binding obligation of each of the parties hereto. Assignor and Assignee each represent and warrant that the person signing this Agreement on behalf of such party has full power and authority to execute this Agreement on such party's behalf.

9. Miscellaneous.

9.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

9.2 Successor and Assigns. All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

9.3 Attorneys' Fees. If either party brings ~~or~~ commences any legal action or proceeding to enforce any of the terms of this Agreement (or for damages by reason of an alleged breach of this Agreement), the prevailing party in such action shall be entitled to recover all costs and expenses of litigation, including reasonable attorneys' fees.

9.4 Incorporation of Exhibits. Each exhibit attached to and referred to in this Agreement is hereby incorporated by reference as though set forth in full where referred to herein.

9.5 Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one instrument.

[Signatures on following page.]

IN WITNESS HEREOF, the parties hereto have executed **this** Agreement as of the day and year first above written.

DEVELOPER

SAN JOAQUIN VALLEY LAND
COMPANY, LLC
a California limited liability company

By: _____
Name: _____
Title: _____

ASSIGNEE

CALIFORNIA PHYSICIANS' SERVICE
dba
Blue Shield of California,
a California not-for-profit mutual benefit
corporation

Name: _____
Title: _____

CITY

CITY OF LODI

By: _____
Name: Blair King
Title: City Manager

Dated: June, 2007

Form of Agreement hereby approved

By: _____
Name: _____
Title: City Attorney

Dated June —, 2007

EXHIBIT A

Legal Description of Subject Property

(See Attached)

Exhibit A

EXHIBIT B-1

Legal Description of Assigned Parcel

(See Attached)

EXHIBIT B-2

Site Map of Assigned Parcel

Exhibit B-2

EXHIBIT C

Legal Description of ROW Parcel and Plat Plan

(See attached)

STATE OF CALIFORNIA

COUNTY OF

)
)
)

On ,2007 before me, _____, Notary Public, personally appeared _____, personally **known** to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the **within** instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), **or** the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Signature _____

STATE OF CALIFORNIA

COUNTY OF

)
)
)

On ,2007 before me, _____, Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their **signature(s)** on the instrument the person(s), **or** the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Signature _____

Document comparison done by DeltaView on Wednesday, June 20, 2007 12:00:05 AM

Input:

Document 1	pcdocs://docssfo/12479820/3
Document 2	pcdocs://docssfo/12479820/4
Rendering set	ReedSmith Standard

Legend:

Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:

	Count
Insertions	12
Deletions	11
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	23